



California Public Utilities Commission

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News Release

FOR IMMEDIATE RELEASE

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PUC CONTINUES IMPLEMENTATION OF RENEWABLES PORTFOLIO STANDARDS PROGRAM

SAN FRANCISCO, April 22, 2004 – The California Public Utilities Commission (PUC) today took further steps to implement Senate Bill (SB) 1078, which created the California Renewables Portfolio Standard (RPS) Program and established a goal of 20 percent renewable generation by 2017. The State's Energy Action Plan proposes accelerating that goal to 20 percent by 2010. This new order puts in place a process for the final steps before the first RPS solicitation by July 1 of this year, to move forward aggressively to reach these goals. The Commission began the implementation of the RPS Program in Decision 03-06-071, and stated that it would open a new rulemaking to continue that process. Since that time the Commission has completed an extensive study of the transmission system upgrades needed to achieve the RPS goals, and approved 22 new IOU contracts for renewable generation.

Today's decision establishes baseline levels of renewable generation for each utility as a proportion of their total generation portfolio and sets the Annual Procurement Target (APT) that each utility must meet this year.

The baseline levels of renewable generation for each utility are as follows:

| 2003 Renewable Generation Baseline | | | |
|---|---|---------------------------|-------------------|
| | <u>Renewable Generation</u> <u>(kWh)</u> | <u>Retail Sales (kWh)</u> | <u>Baseline %</u> |
| SDG&E | 546,722,000 | 15,043,864,828 | 3.6 |
| Edison | 12,497,000,000 | 70,617,000,000 | 17.7 |
| PG&E | 8,209,367,000 | 71,099,363,000 | 11.5 |

These baseline figures are interim and parties will have the opportunity to comment on these figures.

The APT is the amount of renewable generation a utility must procure in order to meet the statutory requirement that it increase its renewable procurement by at least 1 percent of retail

sales per year. The utilities are also encouraged to procure additional cost-effective renewable generation in order to achieve the RPS goal by 2010.

Renewable Generation Annual Procurement Targets (APT) – 2004

| | <u>Renewable Generation (kWh)</u> |
|--------|-----------------------------------|
| SDG&E | 697,160,648 kWh |
| Edison | 13,203,170,000 kWh |
| PG&E | 8,920,360,630 kWh |

As its moves forward, this proceeding will coordinate with other relevant proceedings, such as the new rulemaking on avoided costs and the other proceedings under the general case management umbrella of our procurement rulemaking.

The Commission has identified issues that needed further attention, including the participation of renewable distributed generation in the RPS program; electric service provider and community choice aggregator participation in the RPS program;; definition of the environmental attributes of renewable energy credits (REC) that must be transferred to the utility for it to meet its RPS obligations; consequences of inadequate Public Goods Charge (PCG) funds; treatment of re-powering of renewable facilities; refinement of penalty and penalty cap levels; and availability of penalty funds for use as PGC funds. In addition, the treatment of RECs from Qualifying Facilities must be finalized. The Commission must also begin to apply the RPS program to the small and multi-jurisdictional electric utilities that it regulates.

While all of these issues do need to be addressed, they do not need to be addressed on an expedited basis in order to hold the first RPS solicitation by July 1. The process for addressing these issues will be left up to the Commissioner and Administrative Law Judge assigned to this proceeding.

For more information on the PUC, please visit www.cpuc.ca.gov.

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